Manitoba

# Annual Report 1999

## Consumer and Corporate Affairs

Includes 10% post-consumer waste

**Minister of**
**Consumer and Corporate Affairs**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable Peter Liba
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour, the Annual report of Consumer and Corporate Affairs for the fiscal year ending March 31, 2000

Respectfully submitted,

Honourable Ron Lemieux
Minister
Consumer and Corporate Affairs

# Manitoba

**Deputy Minister of**
**Consumer and Corporate Affairs**

Winnipeg, Manitoba, CANADA
R3C 0V8

945-3742 (phone)
945-4009 (facsimile)
dmcca@leg.gov.mb.ca (e-mail)

Honourable Ron Lemieux
Minister
Consumer and Corporate Affairs

Minister:

I am pleased to submit for your approval the Annual Report for the Department of Consumer and Corporate Affairs for the fiscal year ending March 31, 2000.

Informed consumers and businesses are less likely to experience problems. The Department's efforts to contribute to an informed marketplace were significant this year. Through our volunteer education programs in the Consumers' Bureau and the Residential Tenancies Branch, 88 presentations were made to 1,129 consumers and tenants on marketplace skills and tenant rights and responsibilities. Departmental staff held 14 information sessions for 400 landlords and tenants about the new Life Leases Act which was proclaimed on December 1, 1999.

The Department also continues to provide information in numerous other ways. The Residential Tenancies Branch Website had almost 80,000 "hits" during the year and there were 2,799 calls to the Branch's Talking Yellow Pages for information about security deposits, rent increases, repairs and notices. A Cree language video about mediation and hearing services at the Branch is now available.

Websites for the Securities Commission and the Companies Office can be accessed for information and Companies Office forms can be downloaded from that office's Website. Internet access to Land Titles Survey information was enabled during the year and work continued on the development of Internet access to the Personal Property Registry, Companies Office and Land Titles.

I want to thank all staff of the Department for their continued commitment and dedication to the work of the Department and Service Excellence as well as their continued willingness to embrace change.

Respectfully submitted,

M. Alexandra Morton, Q. C.

100-07617/

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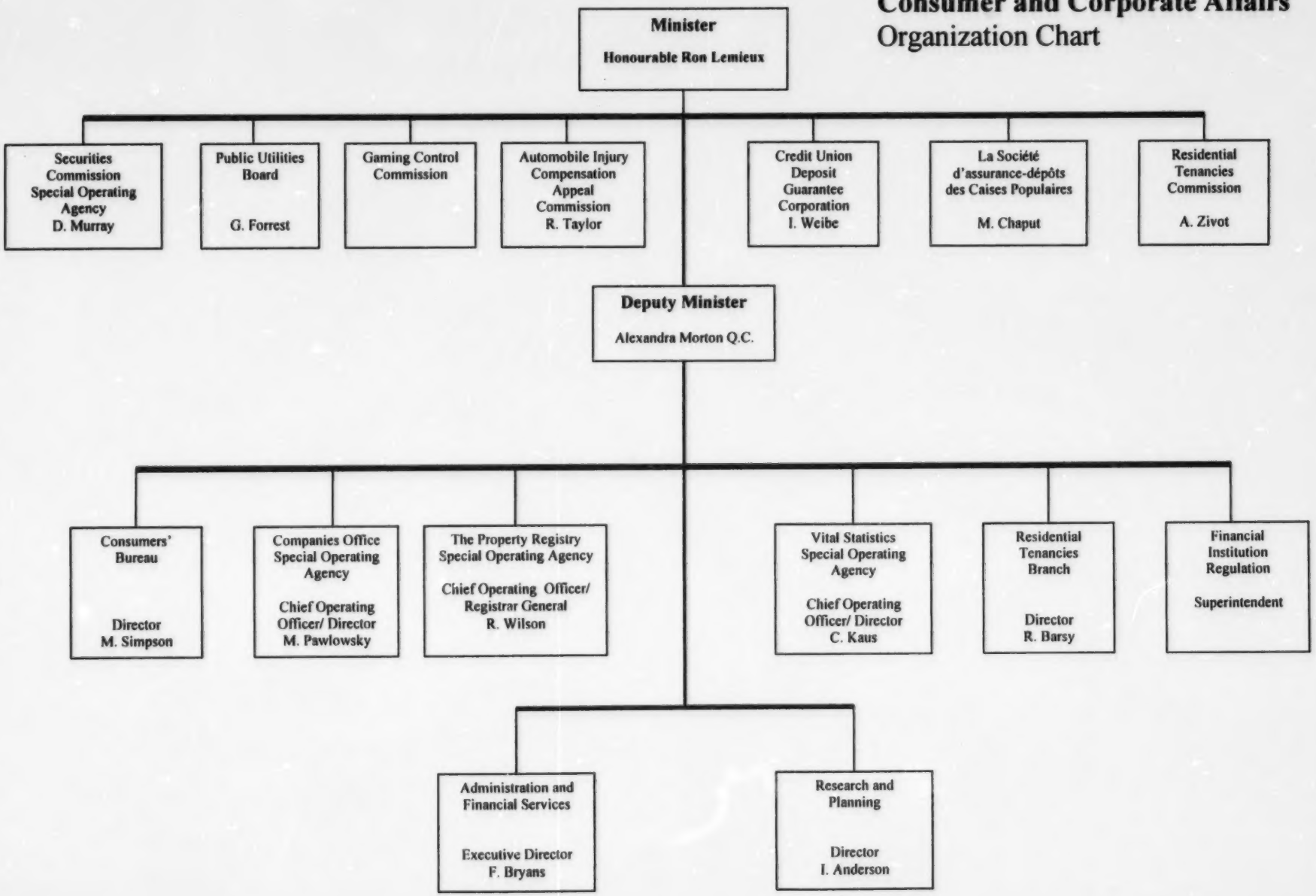
April 27, 2000

# Consumer and Corporate Affairs
## Organization Chart


Minister
Honourable Ron Lemieux
Securities Commission Special Operating Agency D. Murray
Public Utilities Board G. Forrest
Gaming Control Commission
Automobile Injury Compensation Appeal Commission R. Taylor
Credit Union Deposit Guarantee Corporation I. Weibe
La Société d'assurance-dépôts des Caises Populaires M. Chaput
Residential Tenancies Commission A. Zivot
Deputy Minister
Alexandra Morton Q.C.
Consumers' Bureau Director M. Simpson
Companies Office Special Operating Agency Chief Operating Officer/ Director M. Pawlowsky
The Property Registry Special Operating Agency Chief Operating Officer/ Registrar General R. Wilson
Vital Statistics Special Operating Agency Chief Operating Officer/ Director C. Kaus
Residential Tenancies Branch Director R. Barsy
Financial Institution Regulation Superintendent
Administration and Financial Services Executive Director F. Bryans
Research and Planning Director I. Anderson

## Vision, Mission and Goals

### Vision:
A fair, efficient and informed marketplace for businesses and consumers.

### Mission:
To foster business and consumer confidence in the marketplace and to administer a regulatory framework that contributes to a competitive Manitoba economy.

### Goals:
- Contribute to a dynamic Manitoba economy by creating certainty in the marketplace through the administration of a legal and policy framework within which business, non-profit organizations and consumers can operate
- Assist businesses and consumers in resolving disputes
- Promote and enhance consumer and business knowledge and skills
- Provide quality service and responsible use of fiscal resources and collection of fee and tax revenue
- Anticipate, identify and monitor marketplace issues and recommend appropriate action
- Determine fees for service from utilities
- Maintain registries information for protection of individual and property rights

## Legislation Administered

Trade Practices Inquiry Act

### Administrative Services
Manitoba Evidence Act – Parts II and III
Professional Home Economists Act

### Companies Office
Business Names Registration Act
Corporations Act
Partnership Act
Religious Societies' Lands Act

### Consumers' Bureau
Bedding, Upholstered and Stuffed Articles Regulation of the Public Health Act
Charities Endorsement Act
Consumer Protection Act
Hearing Aid Act and Regulation
Personal Investigations Act
Business Practices Act

### Gaming Control Commission
Gaming Control Act

### Insurance
Insurance Act
Insurance Corporations Tax Act
Marine Insurance Act

### Manitoba Securities Commission
Commodity Futures Act
Mortgage Dealers Act
Real Estate Brokers Act
Securities Act

### Property Rights
Titles to Certain Lands Act
Condominium Act (sections e, 3 with respect to division of land, 4, 5 with respect to registration requirements 6 and subsection 7(1)
The Hudson's Bay Company Land Register Act
The Real Property Act
The Personal Property Security Act
The Registry Act
The Revenue Act – Part III (land transfer tax)
The Special Survey Act
The Surveys Act (Part 1)

### Public Utilities Board
Cemeteries Act
Prearranged Funeral Services Act
Public Utilities Board Act

### Residential Tenancies
The Life Leases Act
Residential Tenancies Act
Condominium Act as it Relates to Tenancies

### Trust, Cooperatives & Credit Union Regulations
Corporations Act – Part 24
Cooperatives Act
Credit Unions and Caisses Populaires Act

### Vital Statistics
Vital Statistics Act
Marriage Act
Changes of Name Act
Embalmers and Funeral Directors Act

# Administration and Finance

### Administrative Services

Administration and Financial Services is a core component of departmental operations ensuring the best use of the department's fiscal, human and physical resources.

Administrative and Financial Services administers Parts 2 and 3 of the Manitoba Evidence Act. This is the appointment of Commissioners for Oaths and Notaries Public.

## Mandate:

Administrative and Financial Services provides support services and centralized co-ordination of financial, administrative and systems functions for the department.

**Objectives:**

- provide assistance, reliable advice, accurate legislative and background information, to the Executive and Managers on department-wide issues and initiatives.

- review and recommend changes in department and branch organization to ensure that reporting relationships are structured on the basis of responsibility and accountability, efficiency and effectiveness

- provide overall direction for the department's systems/information technology activities

- review and recommend changes in the administration and delivery of branch systems

- provide department comptrollership by ensuring that funds are properly collected, spent and accounted for

**Goals**

- actively participate in the department's decision-making by providing expertise, input and advice, and assist the department in the effective and efficient use of its resources
- oversee and assist the department in the collection of fee and tax revenue
- ensure accountable and responsible fiscal management
- maintain and communicate information on government-wide and department-wide policies, provide direction, interpretation, ongoing support and make recommendations to senior management
- license commissioners for oaths and notaries public and maintain a registry of appointments
- co-ordinate insurance licensing appeal hearings
- provides Freedom of Information and Protection of Privacy co-ordination

## Activities

**Budgeting**: preliminary Estimates, integration of Treasury Board estimates decisions, preparation of printed Estimates, Estimates Supplement, quarterly cashflow forecasts, monthly commitment reports, budget and expenditure explanations as necessary, monitoring and reporting variances

**Commissioner for Oaths and Notary Public:** appointments and renewal certificates, maintain registry, collect revenue, provide information to public, authentication of notary public seals and signatures, establish and manage electronic message line

**Freedom of Information:** recording and tracking requests, interpretation of legislation, research and respond to applicant, completion of quarterly reports

**French Language Services:** co-ordinate, communicate, implement department French Language Services plan

**Insurance Licensing Appeals**: co-ordinate hearings, advise Board, maintain precedents, develop and maintain procedures, provide information

**Risk Management**: co-ordinate and prepare department capital equipment and building inventory, identify special risks, provide advice to program managers

**General Administration**: travel requests, internal audit, office space requirements, telephone directory listings, arrange contracts

**Advice and Consultation**: on new and ongoing initiatives, policies, procedures, and programs.

| MANITOBA EVIDENCE ACT (Notary Public/Commissioner for Oaths) | 1999/00 | 1998/99 |
|---|---|---|
| New Appointments | 1,636 | 1,952 |
| Renewal of Appointments | 4,710 | 4,491 |
| Authentication of Appointments | 1,578 | 1,054 |

**Expenditures by Sub-Appropriation**

| | Actual 1999/00 | | Estimate 1999/00 | | Variance | Expl No. |
|---|---|---|---|---|---|---|
| 1(c) Administrative Services | FTE | $ | FTE | $ | $ | |
| Total Salaries<br>Other Expenditures | 12.78 | 476.3<br>165.3 | 12.78 | 575.7<br>164.1 | (99.4)<br>1.2 | 1 |
| Sub-Total | 12.78 | 641.6 | 12.78 | 739.8 | (98.2) | |
| Recoveries | | (171.9) | | (171.9) | 0 | |
| First Nations Casino Selection Committee | | 118.4 | | | 118.4 | 2 |
| Total Expenditures | 12.78 | 588.1 | 12.78 | 567.9 | 20.2 | |

**Explanation :**

1. Vacant position in Systems and reduced recovery from Special Operating Agencies.

2. Initial funding for First Nations Casino Selection Committee.

## Research and Planning

The function of Research and Planning is to provide research and analysis services to the Department.

Activities include:

- investigating marketplace issues and assessing alternative responses to them;
- coordinating the development of legislation and other responses to marketplace problems;
- formulating action proposals for submission to Cabinet;
- assessing the need for new or amended legislation;
- reviewing legislation and programs of other jurisdictions;
- data collection and analysis;
- liaising with consumer oriented groups, representatives of the business sector, and government officials; and
- coordinating development of the Department's Business Plan.

During the 1999/2000 year, much of Research and Planning's resources were allocated to the completion and implementation of the Life Leases Act and regulations. This was done in conjunction with the Residential Tenancies Branch and Manitoba Housing. It involved the development of several comprehensive forms life lease landlords are required to use, the development of fact sheets providing information about the legislation to tenants and landlords, a large mail-out of information to existing landlords and others involved in life lease housing and several information sessions held to explain the legislation to tenants, landlords, lawyers and other interested groups and individuals. In developing the forms, valuable input was obtained from focus groups and a working group representing tenants, landlords, lenders, lawyers, developers, trust companies and service club sponsors.

The Life Leases Act and regulations and several consequential amendments to the Residential Tenancies Act were proclaimed on December 1, 1999. This legislation is the first of its kind in Canada. It will benefit life lease tenants by requiring landlords to provide critical information enabling tenants to make informed decisions about entering into or remaining in a life lease. The legislation will also benefit tenants by requiring landlords to take steps to protect tenants' funds and by making the Residential Tenancies Act apply more effectively to life leases.

The price of gasoline and other fuels is an ongoing concern of the public. In 1999/2000, this concern became heightened as a result of large increases in crude oil and motor fuel prices. The higher prices resulted in significant additional costs for consumers, farmers, truckers and other businesses. During the year, Research and Planning participated in several meetings held with retailers and oil companies to obtain information about the increases and how the industry operates. The Branch also provided the Minister and Deputy Minister with information on several related topics such as fuel prices in Manitoba and other provinces, fuel price legislation in Prince Edward Island and Quebec and actions being taken or considered in other provinces.

Throughout the year, Research and Planning provided senior management with information on a variety of issues including: residential tenancy legislation in Ontario; home warranty programs; telemarketer legislation; home inspectors and reverse mortgages.

Research and Planning is responsible for coordinating development of the Department's Business Plan. Preparation of the 2000/2001 Plan involved several planning sessions with senior management and branch business plan coordinators. In addition, the Branch, together with Service First, developed a research/survey methods course to assist branches in measuring client satisfaction.

**Expenditures by Sub-Appropriation**

| | **Actual 1999/00** | | **Estimate 1999/00** | | **Variance** | **Expl No.** |
|---|---|---|---|---|---|---|
| 1(d) Research & Planning | FTE | $ | FTE | $ | $ | |
| Total Salaries | 3.00 | 160.5 | 3.00 | 164.0 | (3.5) | |
| Other Expenditures | | 26.6 | | 31.7 | (5.1) | |
| Total Expenditures | 3.00 | 187.1 | 3.00 | 195.7 | (8.6) | |

# CONSUMER AFFAIRS

## Consumers' Bureau

### Functions of the Consumers' Bureau

The purpose of the Consumers' Bureau is to provide programs in support of Manitoba consumers and businesses, and to:

- Administer the statutes that are the responsibility of the Bureau.
- Licence/register/grant certifications or authorizations to vendors and individual sellers engaged in direct selling; collection agencies and collectors; hearing aid dealers; charities fundraising in Manitoba; and manufacturer of stuffed articles.
- Provide a medium for the hearing, investigating and mediating of consumer complaints.
- Take action as appropriate concerning prosecution of offenders under the Acts administered.
- Identify problems and issues in the marketplace and make recommendations to amend legislation under its mandate as required.
- Inform and educate consumers, businesses, service groups, consumer groups and student organizations regarding their rights and responsibilities as well as potential risks in the marketplace.
- Consult with other departments, agencies and organizations in Manitoba, Canada and internationally on current issues.

The Consumers' Bureau administers the following Acts:

- The Business Practices Act
- The Consumer Protection Act
- The Personal Investigations Act
- The Bedding, Upholstered and Stuffed Articles Regulation of the Public Health Act
- The Charities Endorsement Act
- The Hearing Aid Act

In the administration of the Acts stated above, the Bureau operates in five main areas:

- Dispute resolution
- Licensing and registration
- Special investigations
- Information/education
- Administration/legislative review

While each program represents a group of activities with a common objective, all staff are involved in all areas. As an example, everyone provides information/education to clients. Similarily, all staff offer input and effort resulting in recommendations to make changes to legislation.

**Dispute Resolution**

The dispute resolution program provides an important tool in monitoring the ever-changing marketplace. Problems are often reported to the Consumers' Bureau in the form of a complaint or inquiry. In response, the Bureau provides a forum for mediating complaints involving retail transactions of goods or services, financing contracts, collection practices, advertising, and credit reporting.

Dispute resolution officers consider rights and responsibilities on both sides of transactions as well as relevant legislation when helping the parties to come to an agreement. Dispute resolution may include Bureau assistance to consumers and businesses in making claims against the bonds of licensed vendors or collection agents. This may arise after a business failure.

In addition to legislation administered by the Bureau, officers must have knowledge of other statutes such as *The Garage Keepers Act, The Builders' Liens Act, The Repair Shops Act* and *The Sale of Goods Act*, that may be used in the dispute resolution process.

In 1999/2000, the Consumers' Bureau handled 41,189 telephone and e-mail inquiries from consumers and businesses requesting assistance. Often, disputes are resolved over the phone by Consumers' Bureau staff without necessitating a written complaint to the Bureau.

The number of complaints registered with the Bureau varies from year to year. In 1999/2000, 1,463 written complaints were handled. Home improvement complaints and automotive related complaints continued to register the highest numbers during 1999/2000. The Consumers' Bureau obtained cash settlements or adjustments for consumers totalling $315,343.21. The Consumers' Bureau has a good record of success in resolving disputes and is striving to maintain a high standard through fair and accurate application of knowledge of contracts and relevant legislation and skill in conflict resolution.

Consumer services officers handling complaints may identify breaches of consumer protection statutes, unfair business practices in consumer transactions or misleading advertising. Through the dispute resolution process, it is usually possible to bring a business into compliance with legislation.

When compliance is not obtained or where frequent statutory breaches have been identified, referral is made to the special investigation process of the Bureau.

## ANALYSIS OF COMPLAINTS

| COMPLAINT TYPE | 1999/2000 | 1998/99 |
|---|---|---|
| **AUTOMOTIVE** | 191 | 269 |
| | | |
| **HOME IMPROVEMENTS** | 230 | 186 |
| | | |
| **OTHER** | | |
| Utilities | 61 | 43 |
| Request for Information | 30 | 13 |
| Charities | 26 | 29 |
| Other[1] | 106 | 131 |
| | | |
| **PERSONAL EFFECTS AND SERVICES** | | |
| Hardware and Software | 63 | 62 |
| Personal Services | 54 | 120 |
| Personal Effects (clothing, shoes, etc.) | 47 | 59 |
| Personal Improvement | 39 | 29 |
| Mover/Storage | 30 | 19 |
| Other[2] | 72 | 79 |
| | | |
| **FINANCIAL** | 180 | 217 |
| | | |
| **TRAVEL** | 26 | 46 |
| | | |
| **HOME FURNISHINGS AND ACCESSORIES** | | |
| Home Entertainment | 121 | 78 |
| Home Furnishings & Accessories | 64 | 74 |
| Other[3] | 61 | 79 |
| | | |
| **MAIL ORDER & SUBSCRIPTIONS** | 62 | 106 |
| **TOTAL** | 1,463 | 1,639 |

[1] Includes: food and drink, entertainment, coupon books, lotteries, prizes, hobby products, towing companies, parking facilities, mobile homes and residential dwellings.

[2] Includes: professional services, jewelry, dry cleaners, photography, musical instruments/lessons, restaurants, schools.

[3] Includes: appliances, housewares, power tools.

## Licensing and Registration

*The Consumer Protection Act* regulates vendors and direct sellers, collection agents and collectors through licensing and bonding requirements. Under *The Consumer Protection Act,* consumers who enter into contracts as a result of a direct sale have a 10 day cancellation right. There are other cancellation rights of up to one year provided to consumers where vendors have not complied with certain other requirements specified in the Act. Bonds are required under the licensing requirements of the Act for vendors engaged in direct sales and collection agencies. Where companies fail or refuse to honour obligations to consumers, the bonds provide fair and effective recourse.

In 1999/2000, 4 bonds totalling $160,000 were forfeited. In addition, a total of $67,144.68 was paid to 42 consumers from bonds which had been forfeited in prior years.

As well, the Consumers' Bureau authorizes charities to solicit funds for charitable purposes under *The Charities Endorsement Act* of Manitoba. During 1999/2000 the Consumers' Bureau conducted a survey of Manitoba municipalities regarding the administration of charitable fund - raising at the community level. The results showed a wide variety of activity and processes. Responses indicated few authorities take advantage of authorization or approval provisions of *The Charities Endorsement Act* extended to municipal authorities.

### Licences, Registrations and Authorizations Applied For

| TYPE | 1999/2000 | 1998/99 |
|---|---|---|
| Collection Agent | 54 | 39 |
| Vendors | 197 | 152 |
| Direct Seller | 2,742 | 1,892 |
| Hearing Aid Dealers | 35 | 31 |
| Bedding & Upholstery | 986 | 931 |
| Collectors (individual who collects for an agent) | 923 | 621 |
| Charities Authorized | 254 | 153 |
| **TOTAL:** | **5,191** | **3,819** |

## Special Investigations

A level playing field in the marketplace for consumers and businesses is a goal of the Bureau. The Consumers' Bureau is often successful in obtaining voluntary compliance with its statutes through conciliation. There are instances where investigations of breaches of the various acts are necessary. Following investigation some matters are referred to the Justice Department for prosecution or other court action as appropriate. This process provides a means to deal with the offences and the offenders. The Crown may also seek redress in court for consumers who have been victimized. As alternatives to prosecution, investigations may result in obtaining assurance of voluntary compliance, orders freezing assets, or injunctions prohibiting certain actions.

In 1999/2000 a total of 23 charges were laid against individuals and companies for breaches of consumer protection statutes. This included 5 charges of committing an unfair business practice under subsection 33(1) of *The Business Practices Act*, 18 charges of direct selling without a licence under subsection 75(1) of *The Consumer Protection Act*. As well, there were 3 arrest warrants issued for individuals charged with violations of *The Consumer Protection Act* and *The Business Practices Act*.

Charges dealt with, which included some from previous years, resulted in 3 guilty pleas and fines totaling $1750.00 and restitution in the amount of $4,178.84 ordered to be paid to consumers. A total of 13 charges were stayed as a result of plea bargains.

The Special Investigations unit maintains a close working relationship with departments and agencies of all three levels of government. As well, investigations benefit from the ongoing support and exchange of information with the Winnipeg Police Service, Brandon Police Department, RCMP and Project Phonebusters. Since Industry Canada re-established a regional presence in Manitoba in 1999/2000, improvements have been noted in the exchange of information and cooperation on enforcement actions.

By effective investigations of breaches of statutes and prompt application to the court for orders, the Bureau protects consumers from unfair business practices and ensures a healthier marketplace for businesses to compete fairly.

In 1999/2000 increased participation by federal, provincial and territorial consumer protection authorities in the electronic sharing of information through the Canshare data base resulted in the early identification of a variety of "scams", through a system of alerts.

## Information/Education

The 1999/2000, the Consumers' Bureau received 41,189 telephone and e-mail inquiries from consumers requiring assistance.

The overall goal of this program is to help create more of a balance between the interests of consumers and businesses by educating Manitobans to improve their marketplace skills.

In 1999/2000, the part-time Volunteer Program Manager recruited and trained 5 new volunteers to make presentations on marketplace skill to various groups. With the assistance of these volunteers, the Bureau reached 555 individuals during the 1999/2000 year. Volunteers provided 38 community presentations. Nine senior groups participated in presentations called "Senior Power: Protect Yourself", which helps senior consumers recognize and prevent consumer fraud as well as assert themselves as consumers. Fifteen community groups consisting of new Canadians, young adults and women's groups enjoyed "Cutting Costs" workshops which help consumers make sound consumer decisions and achieve better value for their money. There were 14 community groups who participated in "Consumer Power" presentations and learned about direct sellers, making an effective consumer complaint and getting help for consumer problems. In addition, during 1999/2000 the Volunteer Program Manager extended access to new Canadians through the Red River College Language Training Institute. A total of 9 presentations of the Consumer Power Workshop were made to an estimated 125 people.

Through in-services, three groups of professionals such as home economics teachers and literacy workers received training in consumer education resources. Linking and providing consumer education resources to these community-based professionals helps expand our service to the community and allows us to reach more consumers with timely consumer information.

Consumers' Bureau staff provided 10 presentations to a total of 250 Manitobans. There were three presentations on basic rights under the consumer protection legislation administered by the Bureau to the Community Legal Education Association. Presentations on consumer protection legislation were also made to the National Society of Fundraising Executives, Red River College, Kikinamawin Training Centre, RCMP Commercial Crime and various community groups in Winnipeg.

The Consumers' Bureau regularly receives calls from the media about specific consumer problems or marketplace issues. In 1999/2000 a total of 25 inquiries were received from the media. Bureau staff participate in television, radio and print interviews in response to media inquiries and utilize these opportunities to communicate information to consumers and businesses about their rights and responsibilities.

Contacts are maintained and information is exchanged by Bureau staff with the Better Business Bureau, the Direct Sellers Association, the Consumers Association of Canada, the Manitoba Motor Dealers Association, the National Society of Fund Raising Executives, various municipal, provincial and federal government organizations and law enforcement authorities.

With the increased use of the internet among all populations including seniors, an updated educational presentation for volunteers and staff was held in 1999/2000. As well, Manitoba is actively participating in the work of the federal-provincial Consumer Measures Committee to address electronic commerce issues, including consumer awareness initiatives.

The Bureau is pleased with the success of Information/Education program, as it has been a factor in the decrease in the number of telemarketing victims within Manitoba. Project Phonebusters report that the number of victims in Manitoba has decreased by 85% since 1995 and attributed these reductions in victims to information and educational efforts.

## Administration/Legislative Review

The administration/legislative review program effectively manages the internal operation of the Consumers' Bureau, including the management of financial and human resources within the branch. All staff participate in the business planning, policy reviews and legislative reviews of the Acts administered.

The developing presence of electronic commerce has created new concerns in balancing convenience and consumer protection. The Bureau is participating in a federal-provincial working group which is examining e-commerce issues. In 1999/2000, a number of Consumers' Bureau staff participated in an Internet Scams Sweep organized by the U.S. Federal Trade Commission. Bureau staff identified 130 suspect Internet sites which were warned regarding their activities and may face future enforcement action.

During 1999/2000, Manitoba consumers and businesses were consulted regarding their concerns about the Protection of Personal Information in the Private Sector. The consultation process included the production of a Discussion Paper, which was distributed to over five hundred private sector organizations, and made available on the Manitoba Government Web Site. Six public meetings, which were advertised in newspapers throughout Manitoba, were held in Winnipeg (two meetings), Thompson, Brandon, Dauphin, and Winkler during April and May. Manitobans were invited to submit written submissions by letter, fax or e-mail.

A total of seventy-seven persons attended the six public meetings. Of this number, nine individuals representing either themselves or organizations made presentations. An additional sixteen written subsmissions were received. Other than those making formal presentations, few individuals attending the public meetings offered comments. The Web site received over 2800 hits from May to the end of September.

A report was prepared for Ministers on the results of the public consultation.

In addition to the successful implementation of SAP in 1999/2000, Consumers' Bureau management and staff enthusiastically welcomed the introduction of the Consumer Affairs Tracking System (CATS) in March of 2000. This software, designed specifically for complaint tracking and licensing in consumer protection agencies has been implemented in a number of Canadian consumer protection departments. It is expected this software will assist Manitoba's Consumers' Bureau staff in more quickly identifying marketplace issues and in responding to consumer and business inquiries about the status of complaints. Licensing components of CATS are expected to be implemented in 2000/01.

**Expenditures by Sub-Appropriation**

| | **Actual 1999/00** | | **Estimate 1999/00** | | **Variance** | **Expl No.** |
|---|---|---|---|---|---|---|
| 2(a) Consumers' Bureau | FTE | $ | FTE | $ | $ | |
| Total Salaries | 18.50 | 869.9 | 18.50 | 899.3 | (29.4) | |
| Other Expenditures | | 210.8 | | 214.9 | (4.1) | 1 |
| Total Expenditures | 18.50 | 1,080.7 | 18.50 | 1,114.2 | (33.5) | |

**Explanation :**

1. Salary Recovery from Better Systems Initiative

## RESIDENTIAL TENANCIES BRANCH

The Residential Tenancies Branch administers:

* The Residential Tenancies Act
* The Condominium Act
* The Life Leases Act

The Branch:

* provides information to landlords, tenants and others on The Residential Tenancies Act, The Condominium Act and The Life Leases Act;

* investigates complaints of non-compliance with the legislation;

* mediates disputes between landlords and tenants;

* makes decisions in disputes on the rights and obligations of landlords and tenants relating to:
  - security deposits
  - repairs
  - terms and conditions of a tenancy agreement or life lease
  - the right to continue in occupancy, including termination for non-payment of rent and noise and disturbance
  - giving proper notice to move out
  - compensation
  - privacy
  - non payment of utilities
  - entrance fees

* makes decisions based on landlords' applications for rent increases above the rent increase guideline and tenants' objections to any rent increases.

**Information/Education**
**Telephone Calls/Interviews**

The Information/Education Unit received *51,548 phone calls in the 1999/00 fiscal year. This does not include calls on specific files. During the same period *8,671 people came to the branch to request information or to initiate a formal complaint.

*Includes Brandon and Thompson Offices.

## Talking Yellow Pages

As part of the branch's ongoing commitment to providing information to landlords and tenants, the branch has added two new services. The branch has a full page ad in the Talking Yellow Pages and a web site. Both services operate on a 24 hour basis.

The Talking Yellow Pages service is in both French and English and covers some of the most-asked questions on security deposits, rent increases, repairs and notices. For the period of April 1, 1999 to March 31, 2000, 2,799 people called into the Talking Yellow Pages line.

## Web Site

The Residential Tenancies Branch's web site provides answers to 10 frequently-asked questions by landlords and tenants. It provides for the down-loading of the most-used forms by landlords and tenants and an automated security deposit interest calculation. The web site includes The Residential Tenancies Act and The Life Leases Act, and the Branch's Policies & Procedures Guidebook. The web site had 78,996 hits from April 1, 1999 to March 31, 2000. This is a significant increase over last year's approximately 40,820 hits.

## Policy & Procedures Guidebook

The Branch developed a Policy & Procedures Guidebook to assist landlord and tenants and staff. The guidebook covers those areas that are not specifically dealt with in The Residential Tenancies Act. It also set out the procedures for handling most of the issues that landlords and tenants refer to the branch. The guidebook has 15 sections on topics like: security deposits, rent regulation, mediation, hearings and repairs. The branch provided copies of the guidebook to various landlord and tenant organizations and to the other provincial residential tenancy offices. The guidebook was translated into French and the French version is available for distribution too. Copies of the guidebook were also distributed to all major libraries in the province as well as to our universities and colleges. Landlords and tenants can buy the guidebook from the Residential Tenancies Branch.

## PARTS 1 - 8 OF THE RESIDENTIAL TENANCIES ACT

## CASE LOAD

| Category | 1999/00 | 1998/99 |
|---|---|---|
| Files Opened (1) | | |
| Life Leases | 10 | N/A |
| Security Deposits | 1,001 | 1,136 |
| Claims (2) | 1,660 | 1,750 |
| Repairs | 818 | 753 |
| Notices to Vacate | 394 | 305 |
| Non-payment of Utilities | 272 | 290 |
| Tenancy Agreements | 162 | 137 |
| Failure of Landlord/Tenant to Meet Obligations (3) | 456 | 382 |
| Orders of Possession | 1,703 | 1,590 |
| Others (4) | 412 | 458 |
| | 6,888 | 6,801 |
| Files Closed (1) | | |
| Cases in Winnipeg and surrounding area | 6,221 | 6,225 |
| Cases in Brandon and surrounding area | 459 | 414 |
| Cases in Thompson and surrounding area | 315 | 353 |
| | 6,995 | 6,992 |

(1) Does not include rent regulation files.

(2) The claims category involves cases heard at the housing court. These cases include a variety of cases from various categories.

(3) This category includes disputes over locks and doors, privacy, seizure of tenant's property, non-payment of rent, disturbance, withholding of services, unauthorized charges or fees.

(4) The other category includes disputes involving assignment and subletting, mobile homes, entitlement to collect rent, change of landlord and abandonment of rental unit.

## PART 9 OF THE RESIDENTIAL TENANCIES ACT

### RENT REGULATION

The figures shown here may differ from those in the annual report on the administration of The Residential Tenancies Act. This difference results from using figures based on the calendar year vs. the fiscal year.

Number of Rental Units affected by Landlord Applications for Rent Increase above Guideline. *

| | 1999/00 | 1998/99 |
|---|---|---|
| Winnipeg | 8,611 | 3,057 |
| Brandon | 49 | 54 |
| Other | 665 | 371 |
| | **9,325** | **3,482** |

* The rent increase guideline for 1998, 1999 and 2000 was 1%.

**Tenant Objection**

| | 1999/00 | 1998/99 |
|---|---|---|
| Winnipeg | 62 | 78 |
| Brandon | 5 | 4 |
| Other | 10 | 5 |
| | **77** | **87** |

**Non-Compliance**

| | 1999/00 | 1998/99 |
|---|---|---|
| Winnipeg | 2,376 | 1,140 |
| Brandon | 47 | 51 |
| Other | 164 | 178 |
| | **2,587** | **1,369** |

## Speaking Engagements

The Life Leases Act was proclaimed on December 1,1999. The Branch held 14 information sessions on the new legislation for landlords and tenants. Approximately 400 people attended the sessions.

The Branch's Volunteer Speakers Tenant Education Program was launched in the beginning of 1997 to reach a greater number of tenants on their rights and responsibilities. In 1999/00, the volunteers did 41 speaking engagements with a total of 449 in attendance.

## Safety Net Program

The Safety Net was set up in the fall of 1993 mainly to help people with special needs who are being evicted. These include the mentally and physically handicapped, the elderly and infirm, single parents or families with children. The safety net may also be used when the Health Department placards a building or there is some other unsafe living condition.

The safety net officer has contacts with City and Provincial Income Security, mental health workers, the City of Winnipeg Health Department, Community Relations with the City of Winnipeg Police Department and Community Credit Counselling Services.

When the branch issues an order of possession, the safety net officer reviews the file. If the office believes the tenant has special needs, they contact the appropriate social agency to line-up assistance. For example, if the tenant is a single parent on social assistance, the safety net officer contacts the worker to let them know what's happening and to make sure the tenant will receive moving expenses and temporary accommodation, if necessary. The officer also contacts the tenants to make sure they know where to go to for assistance.

## Expenditures by Sub-Appropriation

| | Actual 1999/00 | | Estimate 1999/00 | | Variance | Expl No. |
|---|---|---|---|---|---|---|
| 2(b) Residential Tenancies Branch | FTE | $ | FTE | $ | $ | |
| Total Salaries | 54.00 | 2,369.3 | 54.00 | 2,464.4 | (95.1) | 1 |
| Other Expenditures | | 658.8 | | 713.3 | (54.5) | 2 |
| Total Expenditures | 54.00 | 3,028.1 | 54.00 | 3,177.7 | (149.6) | |

**Explanation :**

1. Vacant and underfilled positions plus recovery from Better Systems Initiative for seconded staff.

2. Planned start for re-engineering delayed.

## THE RESIDENTIAL TENANCIES COMMISSION

The Residential Tenancies Commission is a quasi judicial, specialist tribunal which hears appeals from decisions and orders of the Director under *The Residential Tenancies Act.*

**The Commission consists of:**

1) The Chief Commissioner - a full-time position; appointed for a five-year term, located in Winnipeg.

2) Deputy Commissioners – nine part-time positions; may exercise the powers and perform the duties of the Chief Commissioner; appointed for a two-year term; from Winnipeg, Altona, and Brandon.

3) Panel members - approximately twenty-nine panel members - half representing the views of the landlords, the others the views of the tenants; from Winnipeg, Killarney, Thompson, Dauphin, Brandon and Wawanesa.

Hearings are before a panel of three: one landlord representative, one tenant representative and a neutral commissioner, either the Chief Commissioner or one of the deputies.

Hearings are chaired by the neutral commissioner; the neutral commissioner also casts the deciding vote if there is a tie.

Hearings outside of Winnipeg are held at the nearest judicial district.

Commission decisions are appealable to the Court of Appeal, but only on a question of error in law or jurisdiction. A Court of Appeal judge must grant leave or permission to appeal. Section 179 of *The Residential Tenancies Act* states, however, that no appeal lies from a decision or order of the Commission made in a matter arising under Part 9, the section dealing with rent regulation. The Commission's decision here is final.

## ACTIVITY SUMMARY
## April 1, 1999 to March 31, 2000

**Activity:**

| | Received | Processed |
|---|---|---|
| Abandonment | 1 | 1 |
| Claims | 197 | 190 |
| Notice | 6 | 6 |
| Mutual Obligation | - | - |
| Landlord Obligation | 3 | 3 |
| Order of Possession | 73 | 71 |
| Rent Regulation | 61 | 51 |
| Repairs | 9 | 12 |
| Security Deposit | 85 | 12 |
| Tenancy Agreement | - | 1 |
| Tenant Obligation | 4 | 4 |
| Utilities | 3 | 5 |
| **TOTAL** | **442** | **356** |

**Appeals:**

| | |
|---|---|
| Landlord initiated | 170 |
| Tenant initiated | 263 |
| Dual initiated | 9 |
| **TOTAL** | **442** |

**Decisions:**

| | |
|---|---|
| Orders confirmed | 203 |
| Orders varied | 144 |
| Orders rescinded | 38 |
| Orders withdrawn | 53 |
| Orders rejected | 5 |
| Motion for extension of time to appeal granted | 2 |

**Court of Appeal**

Applications for Leave to Appeal

| | |
|---|---|
| Denied | 17 |
| Pending | 2 |
| Granted | 2 |
| New Commission Hearing to be held | 1 |
| Adjourned Sine Die | 1 |
| Settled | 1 |
| Reserved Decision | 1 |
| **TOTAL** | **24** |

| | |
|---|---|
| Court of Appeal Hearings | |
| Pending | 2 |

| | |
|---|---|
| **Winnipeg Appeal Hearings:** | 359 |

**Out of Town Appeal Hearings:**

| | |
|---|---|
| Brandon | 20 |
| Beausejour | 3 |
| Carman | 1 |
| Dauphin | 1 |
| Portage La Prairie | 8 |
| Selkirk | 9 |
| Steinbach | 2 |
| The Pas | 3 |
| Thompson | 3 |

## Expenditures by Sub-Appropriation

| | Actual 1999/00 | | Estimate 1999/00 | | Variance | Expl No. |
|---|---|---|---|---|---|---|
| 2(b) Residential Tenancies Commission | FTE | $ | FTE | $ | $ | |
| Total Salaries | 4.50 | 447.5 | 4.50 | 454.8 | (7.3) | |
| Other Expenditures | | 94.7 | | 110.7 | (16.0) | 1 |
| Total Expenditures | 4.50 | 542.2 | 4.50 | 565.5 | (23.3) | |

**Explanation :**

1. Other expenditures lower than estimated.

# AUTOMOBILE INJURY COMPENSATION APPEAL COMMISSION

## General

The Automobile Injury Compensation Appeal Commission ('the Commission') is a specialist tribunal, established to deal with appeals arising with respect to claims under the Personal Injury Protection Plan (PIPP) of Manitoba Public Insurance Corporation ('MPI'), more commonly known as the 'no-fault insurance program'.

The Commission was established under the Manitoba Public Insurance Corporation Act ('the Act'), which, amongst other things, outlines the powers and responsibilities of the Commission regarding the processing of appeals.

1999/2000 was the sixth full year of the operations of the Commission, which, until February 28th, 2000, had a complement of nine persons: three full-time commissioners, two part-time commissioners, a director, an appeals officer, the secretary to the chief commissioner and a secretary-receptionist. Approximately the same number of appeals were filed with the Commission in 1999/2000 as in the previous fiscal year: 164 and 168, respectively. Many of the appeals heard during the 1999/2000 fiscal year relate to injuries sustained in prior years. This is due, in part, to the fact that, when injuries are of a comparatively serious nature and the insurer's initial liability is not disputed, a claimant may be in receipt of income replacement or medical treatment coverage from MPI for an extended period; it is only when MPI decides to terminate the benefits that the appeal process is initiated.

## The Appeal Process

Prior to filing an appeal with the Commission, claimants who have suffered from a personal injury caused by an automobile accident, and who feel themselves aggrieved by a decision of MPI, must have that decision reviewed by the Corporation's internal review officer. The Act stipulates:

> **'Section 172(1)**

The internal review officer gives his or her decision in writing, with the reasons for that decision. A claimant who is still dissatisfied may then file a Notice of Appeal with the Commission. Rights of appeal are explained to the claimant in writing at each step in the processing of a claim.

> **'Section 174**

Claimants who have furnished persuasive reasons for missing the 90-day deadline have been granted extensions by the Commission. The Commission will continue to consider reasonable requests.

Once a Notice of Appeal has been filed with the Commission, the appellant's file is obtained from MPI and a copy of all relevant contents is provided to the appellant. A date is then set for the hearing of that appeal. The Commission makes every effort to

hold a hearing with a minimum of delay while, at the same time, attempting to accommodate the appellant and MPI. During the first two years of its operations, the Commission set hearing dates for about one month after receiving MPI's file. However, last minute adjournments were being sought with disconcerting frequency, usually due to the late receipt from one party of updated medical or chiropractic reports which then had to be shared with the other party. The Commission's current practice is, therefore, to set hearing dates only when both parties can confirm that they do not anticipate producing any further medical or other written reports.

Appeals are heard by a panel of three commissioners, who comprise the quorum prescribed by the Act. Hearings are informal with about 90% of appellants acting without legal representation. The rules of evidence followed by the courts are not necessarily adhered to. On occasion, where an appellant lives or works some distance out of Winnipeg, the commissioners have, with the prior approval of the parties, conducted a hearing telephonically, using a 'speaker-phone' in the hearing room to enable complete communication between all interested persons; this procedure is useful in particular when few, if any, of the relevant facts are in dispute and it is therefore unnecessary for the panel to weigh evidence. The telephone conference call has the added virtue of saving the expense of either bringing the appellant in to the city (sometimes from long distances) or having the entire panel travel to the area where the appellant lives. If, in the course of a telephone hearing, it becomes apparent that the Commission needs actually to see one or more witnesses, the matter will be adjourned to the earliest practicable date for that purpose.

> **'Section 182(5)** Evidence may be given before the Commission in any manner that the Commission considers appropriate, and the Commission is not bound by the rules of law respecting evidence applicable to judicial proceedings.

Appellants and MPI may bring forward new evidence, either written or in the form of oral testimony, to be used at the hearing, in which event they are required to disclose it to the other side in reasonable time prior to the hearing. The commissioners weigh the evidence and the arguments of both the appellant and MPI in arriving at each decision.

After the hearing, the Commission issues its decision which, according to the Act:

> **'Section 184(1)**...may
> (a) confirm, vary or rescind the review decision of the Corporation; or
> (b) make any decision that the Corporation could have made.'

The Commission's decision is binding, subject only to a right of appeal to the Manitoba Court of Appeal on a point of law or a question of jurisdiction, and then only with prior leave from that court. Up to March 31, 2000, only two applications for leave to appeal to the court have been successful.

Decisions, accompanied by the reasons for those decisions, are normally sent to the appellant and to MPI in writing within two or three weeks of the hearing, unless the commissioners find it necessary to seek further, independent, expert evidence, in which

case that evidence is shared with both parties who are given an opportunity to respond to it before the Commission's decision is finalized.

All of the Commission's reasons for its decisions (other than those that merely adopt the reasons of MPIC's Internal Review Officer) are now available through QuickLaw, which is a Canadian company that maintains an electronic database of decisions rendered by courts and tribunals from across the country and which are available on a commercial basis. This service should be of particular value to legal counsel who appear at the Commission's hearings.

Approximately 38% of appeals heard during the year succeeded in whole or in part.

**Expenditures by Sub-Appropriation**

| | **Actual 1999/00** | | **Estimate 1999/00** | | **Variance** | **Expl No.** |
|---|---|---|---|---|---|---|
| 2(c) Automobile Injury Compensation Appeals Commission | FTE | $ | FTE | $ | $ | |
| Total Salaries<br>Other Expenditures | 7.00 | 490.6<br>132.0 | 7.00 | 483.6<br>148.9 | 7.0<br>(16.9) | <br>1 |
| Total Expenditures | 7.00 | 622.6 | 7.00 | 632.5 | (9.9) | |

**Explanation Number:**

1. Computer related charges, other fees and minor capital lower than estimated.

# CORPORATE AFFAIRS

## INSURANCE BRANCH

The mandate of the Insurance Branch is to protect the consumer while facilitating the transaction of the business of insurance in Manitoba. To accomplish this, the following functions are performed:

* answering inquiries of a general nature about insurance;
* licensing of insurance companies for the transaction of the business of insurance;
* licensing of hail and accident and baggage agents and hail adjusters;
* monitoring the solvency of insurance companies incorporated in Manitoba;
* determining the deposits of insurance companies incorporated in Manitoba;
* mediating disputes between consumers and insurance companies;
* monitoring the regulatory activities of and liaising with the Insurance Council of Manitoba which licences insurance agents, brokers and adjusters, through delegation from The Superintendent of Insurance;
* preparing the Annual Report required by The Insurance Act;
* collecting the premium tax under The Insurance Corporations Tax Act; and
* collecting the tax under The Fires Prevention Act.

**Client Services**

The Superintendent's office contributes to public confidence by enhancing the safety and soundness of the Manitoba marketplace. In this regard, the Insurance Branch in partnership with the Office of the Superintendent of Financial Institutions Canada, inspected for solvency 7 Manitoba incorporated insurers.

The mediation of complaints is an important function of the Insurance Branch. The Branch assisted one consumer in having his $200,000.00 life insurance policy reinstated. The policy which had been in effect for 14 years lapsed because the premium had not been paid. The insured had been attempting to get the policy reinstated on the basis that he did not know the policy was about to lapse as he had not received the premium notice which he had been receiving annually. After our involvement the insurance company reconsidered its position and reinstated the insurance policy.

Other lump sum payments ranged from $1,000.00 to $28,000.00. These settlements resulted in claims which had previously been denied being paid while others were increased after the Branch intervened.

From April 1, 1999 to March 31, 2000 we have surveyed 57 insurance companies and 101 consumers in an effort to gauge our client satisfaction. Our survey results show 69% satisfaction both in terms of results and how we present the pertinent information to clients.

| REVENUE | | |
|---|---|---|
| **DESCRIPTION** | **1999/2000** | **1998/99** |
| Insurance Act Fees | 799,414 | $782,274 |
| Insurance Corporations Tax | 40,397,755 | $39,327,229 |
| Fires Prevention Tax Act Fees | 2,290,012 | $3,554,256 |
| **Totals** | **43,487,181** | **$43,663,759** |

| ACTIVITY REPORT | | |
|---|---|---|
| **DESCRIPTION** | **1999/2000** | **1998/99** |
| Telephone Enquiries Received | 11,273 | 10,902 |
| Complaint Files Processed | 264 | 263 |
| Public Relations Engagements | 5 | 4 |
| Mediation Inspections | 0 | 0 |
| Press Interviews | 0 | 2 |
| Guest Radio Phone-In Shows | 0 | 0 |
| **Totals** | **11,542** | **11,171** |

| LICENSING OF INSURANCE COMPANIES | | |
|---|---|---|
| **DESCRIPTION** | **1999/2000** | **1998/99** |
| Federal | 234 | 247 |
| Provincial | 40 | 37 |
| **Totals** | **274** | **284** |

| LICENCES ISSUED BY SUPERINTENDENT OF INSURANCE OFFICE | | |
|---|---|---|
| **DESCRIPTION** | **1999/2000** | **1998/99** |
| Hail Agents | 421 | 390 |
| Accident and Baggage Agents | 118 | 92 |
| Miscellaneous Agents | 4 | 4 |
| **Agents Sub-Total** | **543** | **486** |
| **Hail Adjusters** | 24 | 25 |
| **Adjusters Sub-Total** | **24** | **25** |
| **Special Brokers Licences** | **6** | **8** |
| **GRAND TOTAL** | **573** | **519** |
| Agent Licences Cancelled or Denied by Superintendent of Insurance | N/A | N/A |

| LICENCES ISSUED BY INSURANCE COUNCIL OF MANITOBA | | |
|---|---|---|
| **DESCRIPTION** | **1999/2000** | **1998/99** |
| Life Agents | 2,463 | 2,530 |
| General Agents | 2,225 | 2,034 |
| Accident & Sickness Agents | 1,286 | 1,266 |
| Automobile Agents | 8 | 7 |
| **Agents Total** | **5,982** | **5,837** |
| **Adjusters** | 80 | 80 |
| Assistant Adjusters | 7 | 9 |
| Adjusters Total | **87** | **89** |
| **GRAND TOTAL** | **6,069** | **5,926** |

| LICENCES CANCELLED, SUSPENDED, REVOKED OR REFUSED BY INSURANCE COUNCIL OF MANITOBA | | | |
|---|---|---|---|
| **DESCRIPTION** | **1999/2000** | **1998/99** | **Expl No.** |
| Agent Licences Cancelled due to non-completion of educational requirements | 67 | 35 | 1 |
| Agent Licences Suspended | 8 | 15 | |
| Agent Licences Revoked | 0 | 0 | |
| Agent Licences Refused | 5 | 4 | |
| Agent Licences Reprimand | 0 | 1 | |
| **Totals** | **80** | **55** | |

**Explanation Number:**

1. Licence cancellations have increased from 35 in 1998/99 licence year to 67 in the 1999/00 licence year. This increase is directly a result of level 1 licensees failing to upgrade to a level 2 licence within three years of issuance, 29 upgraded after cancellation of their licenses.

| INSURANCE AGENT AND AJUSTER LICENCING EXAMINATIONS BY INSURANCE COUNCIL OF MANITOBA | | | | | | |
|---|---|---|---|---|---|---|
| | WRITTEN | | PASSED | | FAILED | |
| | 1999/00 | 1998/99 | 1999/00 | 1998/99 | 1999/00 | 1998/99 |
| LIFE | 595 | 682 | 321 | 398 | 274 | 284 |
| GENERAL | 18 | 27 | 5 | 9 | 13 | 18 |
| ACCIDENT & SICKNESS | 242 | 308 | 158 | 185 | 84 | 123 |
| AUTO | 0 | 0 | 0 | 0 | 0 | 0 |
| Agents Total | **855** | **1,017** | **484** | **592** | **371** | **425** |
| **ADJUSTER** | 1 | 8 | 1 | 3 | 0 | 5 |
| Adjusters Total | **1** | **8** | **1** | **3** | **0** | **5** |
| **GRAND TOTAL** | **856** | **1,025** | **485** | **595** | **371** | **430** |

| ANALYSIS OF COMPLAINTS - PART ONE | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | LIFE | | ACCIDENT & SICKNESS | | ANNUITIES – R.R.S.P.'S | | PERSONAL LINES/ TENANTS & HOMEOWNERS | | COMMERCIAL LINES | |
| **DESCRIPTION** | **1999/00** | **1998/99** | **1999/00** | **1998/99** | **1999/00** | **1998/99** | **1999/00** | **1998/99** | **1999/00** | **1998/99** |
| Claims | 13 | 9 | 57 | 46 | 0 | 0 | 31 | 50 | 12 | 6 |
| Application Rejected/ Renewal Refused | 0 | 0 | 4 | 1 | 0 | 0 | 4 | 7 | 0 | 1 |
| Premium Payments | 14 | 27 | 6 | 2 | 8 | 5 | 5 | 4 | 0 | 1 |
| Replacements | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Claims Tactics | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Selling Tactics | 6 | 10 | 0 | 3 | 0 | 1 | 5 | 0 | 1 | 2 |
| Sales Promotion and Advertising | 7 | 4 | 0 | 0 | 0 | 1 | 12 | 5 | 2 | 0 |
| Rebating | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undue Influence | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 2 | 6 | 2 | 0 | 0 | 1 | 3 | 3 | 1 | 1 |
| **Totals** | **44** | **56** | **69** | **52** | **8** | **9** | **60** | **70** | **16** | **11** |

| ANALYSIS OF COMPLAINTS - PART TWO | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | HAIL | | TRAVEL | | FARM | | MISCELLANEOUS LINES – LIVESTOCK, BAGGAGE, WARRANTIES, EXTENDED AUTO COVERAGE ETC. | |
| **DESCRIPTION** | **1999/00** | **1998/99** | **1999/00** | **1998/99** | **1999/00** | **1998/99** | **1999/00** | **1998/99** |
| Claims | 0 | 1 | 4 | 4 | 2 | 5 | 3 | 3 |
| Application Rejected/ Renewal Refused | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Premium Payments | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Replacements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Claims Tactics | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Selling Tactics | 1 | 1 | 1 | 0 | 1 | 0 | 2 | 0 |
| Sales Promotion and Advertising | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 4 |
| Rebating | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undue Influence | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 1 | 1 | 0 | 0 | 0 | 0 | 51 | 41 |
| **Totals** | **2** | **4** | **6** | **7** | **3** | **6** | **56** | **48** |

| COMPLAINT STATISTICS – INSURANCE COUNCIL OF MANITOBA | | |
|---|---|---|
| | 1999/00 | 1998/99 |
| **Number of Complaints Opened:** | 143 | 164 |
| **Number of Complaints Dealt with:** | 137 | 191 |
| **Number of Complaints Outstanding at March 31/00:** | 28 | 22 |
| **NEW COMPLAINTS PER COUNCIL** | | |
| **ADJUSTERS COUNCIL** | 6 | 7 |
| **GENERAL COUNCIL** | 40 | 28 |
| **LIFE COUNCIL** | 97 | 129 |

**Expenditures by Sub-Appropriation**

| | Actual 1999/00 | | Estimate 1999/00 | | Variance | Expl No. |
|---|---|---|---|---|---|---|
| 3(a) Insurance Branch | FTE | $ | FTE | $ | $ | |
| Total Salaries | 7.00 | 286.6 | 7.00 | 297.5 | (10.9) | 1 |
| Other Expenditures | | 151.5 | | 182.5 | (31.0) | 2 |
| Total Expenditures | 7.00 | 438.1 | | 480.0 | (41.9) | |

**Explanation Number:**

1. Vacant position.

2. Professional (OSFI) fees lower than estimated plus unanticipated rent recoveries.

## THE PUBLIC UTILITIES BOARD

The Public Utilities Board is an independent quasi-judicial body operating under the authority of the Manitoba Legislature.

The Board is responsible for the regulation of public utilities as defined under The Public Utilities Board Act. These public utilities include:

- Centra Gas Manitoba Inc. - natural gas distribution
- Stittco Utilities Man Ltd. - propane distribution
- Gladstone Austin Natural Gas Co-op Ltd. - natural gas distribution
- Water and Sewer Utilities - excluding the City of Winnipeg

In addition to rate regulation of the above noted public utilities, the Board, pursuant to The Gas Pipe Line Act reviews related utilities' operations to ensure that natural gas and propane are distributed to Manitoba consumers in a safe manner.

Several other enactment's which assign regulatory or adjudicative responsibilities to the Board are:

- The Greater Winnipeg Gas Distribution Act
- The Gas Allocation Act
- The Prearranged Funeral Services Act
- The Cemeteries Act
- The Manitoba Water Services Board Act (Appeals)
- The Highways Protection Act (Appeals)

With respect to The Crown Corporations Public Review and Accountability and Consequential Amendments Act, the Board is also responsible for rate regulation of compulsory drivers and vehicle insurance premiums charged by Manitoba Public Insurance and the rates charged by Manitoba Hydro.

During the fiscal year, the Board convened 23 Board Meetings, 48 public hearing days and 1 pre-hearing conference day. A total of 211 formal orders were issued which included the following:

| | |
|---|---|
| Water and Sewer Utilities | 65 |
| Natural Gas Utilities & Propane | 44 |
| Gas Disconnection | 21 |
| Highways Protection Act | 5 |
| Manitoba Hydro Act | 67 |
| Manitoba Public Insurance | 7 |
| The Gas Pipeline Act | 1 |
| The City of Winnipeg (Transportation) | 1 |

With respect to The Prearranged Funeral Services Act, 22 renewal licences were issued to sell for this fiscal year. In addition, there were 15 applications filed for acknowledgement of revisions in

prearranged funeral fees for caskets and services. One sales agreement was authorized as well as 6 trust agreements. The Board continued to review and monitor the annual reports filed by licensees and their trustees with regard to prearranged funeral plans being sold and contracted funds held in trust.

With respect to The Cemeteries Act, the Board issued the following renewal licences for this fiscal year: 9 cemetery and 1 initial cemetery, 28 columbariums and 1 initial columbarium, 5 mausoleums, and 13 crematoria and 1 initial crematoria. Also 65 licences were issued to sales personnel on behalf of, and for, owners of cemeteries. In addition, 16 applications for a revision of fees for spaces, materials and services and 4 sales agreements, were authorized.

The Board issued 17 renewal registrations to brokers of natural gas. The Board dealt with a number of public enquiries and had several meetings with brokers and other members of the industry.

The Board supervised the Service Disconnection and Reconnection Policy and Procedures of Centra Gas Manitoba Inc. and Stittco Utilities Man Ltd. In this regard the Board received a number of customer enquiries and complaints and held 23 appeal hearings to review disputes between customers and Centra Gas Manitoba Inc.

**Expenditures by Sub-Appropriation**

| | **Actual 1999/00** | | **Estimate 1999/00** | | **Variance** | **Expl No.** |
|---|---|---|---|---|---|---|
| 3(b) Public Utilities Board | FTE | $ | FTE | $ | $ | |
| Total Salaries | 8.23 | 511.1 | 8.23 | 612.5 | (101.4) | 1 |
| Other Expenditures | | 654.7 | | 749.8 | (95.1) | 2 |
| Total Expenditures | 8.23 | 1,165.8 | 8.23 | 1,362.3 | (196.5) | |

**Explanation Number:**

1. Vacant positions and lower board members salaries due to less than anticipated hearings.

2. Professional fees lower than anticipated.

## TRUST, COOPERATIVES & CREDIT UNION REGULATION BRANCH

The Trust, Cooperatives & Credit Union Regulation Branch administers the following statutes:

- The Credit Unions and Caisses Populaires Act
- The Cooperatives Act.
- Part XXIV of The Corporations Act (Trust and Loan Corporations)

The mandate of the branch is:

- to provide protection to clients of trust & loan corporations, to members of credit unions and caisses populaires by monitoring solvency of those institutions and ensuring compliance with legislation;
- to protect membership rights in cooperatives, credit unions and caisses populaires by providing a dispute resolution process;
- to maintain a legislative and regulatory framework which promotes the orderly development of credit unions, caisses populaires, cooperatives, trust and loans in Manitoba and which ensures they can compete fairly with other businesses.

### A) Trust and Loan Corporations

The branch engaged in the following Trust & Loan Corporation activities:

- Reviewed and accepted for filing the annual returns for all registered Trust & Loan companies. Monitored the examination report for the Manitoba incorporated trust and loan corporation. Resolved all issues arising.
- Reviewed the annual returns from 50 extra-provincial trust and loan corporations operating in Manitoba and reviewed areas of concern with the prime regulators from the incorporating jurisdictions.
- Reviewed and approved 5 new and 9 amended business authorizations for extra-provincial trust and loan corporations operating in Manitoba.
- Responded to inquiries from trust and loan corporations regarding legislative and regulatory requirements in Manitoba.
- Responded to inquiries and complaints from consumers.

During the year, the Trust and Loan section collected fees as follows:

| | |
|---|---|
| New Business Authorizations | $ 7,500.00 |
| Amended Business Authorizations | 13,500.00 |
| Annual Business Returns | 250,000.00 |
| Total for 1999/2000 | $271,000.00 |

As at March 31, 2000 there were 51 trust and loan corporations operating in Manitoba. Of that number, one is a Manitoba incorporated trust and loan corporation while the other fifty are extra-provincial trust and loan corporations.

## B) Cooperatives, Credit Unions & Caisses Populaires

The branch engaged in the following Cooperative, Credit Union and Caisse Populaire activities:

- Proclaimed the new Cooperatives Act on July 1, 1999.
- Developed regulations under the new Cooperatives Act.
- Developed information kits and model bylaws for different types of cooperatives.
- Arranged and assisted the Tribunal hearings which are held to hear appeals of membership terminations in housing cooperatives.
- Assessed the financial performance and operational programs of Credit Union Central of Manitoba and La Fédération des Caisses Populaires du Manitoba Inc.
- Assessed the adequacy of controls for lending and other risks in the credit union and caisses populaires systems.
- Assisted in the incorporation process of new cooperatives, as well as in amending the articles of incorporation and charter by-laws of cooperatives.
- Assisted in the amending of the articles and by-laws of credit unions and caisses populaires.
- Assessed the financial performance and the effectiveness of the programs carried out by The Credit Union Deposit Guarantee Corporation and La Société d'assurance-dépôts des caisses populaires.
- Maintained a central registry for the orderly filing of all documents required under The Credit Unions and Caisses Populaires Act and The Cooperatives Act.
- Mediated disputes between members and their cooperative, credit union or caisse populaire.
- Surveyed several clients/stakeholders regarding branch services.
- Began a review of The Credit Unions and Caisses Populaires Act and Regulations.

The cooperatives, credit union and caisse populaire section collected fees totalling $53,084.00 during the 1999/2000 year. Fees are primarily from the filing of annual returns; the filing of articles of incorporation and charter by-laws; and from searches or inquiries of registries.

Following are the consolidated statistics from the credit union and the caisse populaire systems operating in Manitoba for the years ending December 31:

| **Credit Unions** | **1999** | **1998** |
|---|---|---|
| Total Assets | $5.1 billion | $4.7 billion |
| Total Deposits | $4.8 billion | $4.4 billion |
| Total Loans | $4.1 billion | $3.8 billion |
| Members | 398,700 | 391,700 |
| No. of credit unions/locations | 67/161 | 68/164 |

**Caisses Populaires**

| | | |
|---|---|---|
| Total Assets | $460 million | $436 million |
| Total Deposits | $418 million | $399 million |
| Total Loans | $380 million | $361 million |
| Members | 34,289 | 32,981 |
| Number of caisses/locations | 9/31 | 9/31 |

**Cooperatives**

As at March 31, 2000 there were 381 cooperatives with over 220,000 active members operating in Manitoba categorized as follows:

| | | | |
|---|---|---|---|
| Housing | 65 | Farmers Markets | 18 |
| Consumer | 60 | Agriculture/Producer | 15 |
| Day-Care | 49 | Cattle Feeders | 10 |
| Community Service | 43 | Employment | 16 |
| Utility | 47 | Fishing | 10 |
| Marketing | 39 | Communications & Transportation | 9 |
| Total = 381 | | | |

During 1999/2000, 17 new cooperatives were incorporated or revived while 19 cooperatives dissolved and one was eliminated through an amalgamation.

**Expenditures by Sub-Appropriation**

| | Actual 1999/00 | | Estimate 1999/00 | | Variance | Expl No. |
|---|---|---|---|---|---|---|
| 3(c) Cooperative and Credit Union Regulation | SY | $ | SY | $ | $ | |
| Total Salaries | 7.50 | 454.8 | 7.50 | 439.9 | 14.9 | 1 |
| Other Expenditures | | 89.8 | | 100.2 | (10.4) | 2 |
| Total Expenditures | 7.50 | 544.6 | 7.50 | 540.1 | 4.5 | |

**Explanation:**

1. Severance and vacation pay due to retirement.

2. Professional fees (OSFI) lower than anticipated.

# SPECIAL OPERATING AGENCIES

Special Operating Agencies

## THE COMPANIES OFFICE

The Companies Office became a Special Operating Agency (SOA) on April 1, 1996. The Office continues to be part of the Manitoba Department of Consumer and Corporate Affairs under the general direction of the Deputy Minister and Minister.

The Office has administrative powers under the following statutes:

- The Corporations Act
- The Business Names Registration Act
- The Partnership Act
- The Religious Societies' Lands Act
- Other miscellaneous incorporation statues

Under these statutes, the general public and legal profession file documents with the Office to:

- incorporate Manitoba corporations
- register corporations incorporated outside Manitoba
- register the names of unincorporated businesses

The Office has two main functions:

1. to be a central registry of basic information about corporations and businesses. This information is available to the public for searching, and is useful to a consumer or creditor of a corporation or business.

2. to review the proposed names of corporations and businesses to ensure that they are not confusingly similar to ones already on record.

During the fiscal year 1999/2000, Office staff responded to 228,157 requests for service from the public. This included document filings, phone inquiries and in-person searches of files.

Interested clients can access Companies Office file information from computer terminals outside the Office. Public use of this service increased over the previous year with 832,334 inquiry transactions in 1999/2000 compared to 764,563 during 1998/99 (approximately five transactions are needed to fully search a corporation or business). This service is convenient for clients as it is quicker and easier than attending the Office, and is available Monday – Friday – 24 hours a day. It is shut down Saturday at 6:00 p.m. and brought up again on Sunday at 7:00 a.m.

The first level of appeals from name registration decisions is to the Director of the Office. During the fiscal year there were 57 objections to both registered and unregistered names, down from 68 the year before. A significant number of the objections related to unregistered businesses doing business in the province.

Office personnel make presentations to groups interested in learning more about its activities. These include students from Red River Community College, Law School of Manitoba, (Solicitors Transactions Course), the Herzing Institute, the Bar Admission Course of the Law Society, the Law Society's Law-at-Lunch Program, and the Business Law Subsection of the Manitoba Bar Association.

## Comparative Statistics

| Fiscal Year | 1999/00 | 1998/99 | 1997/98 |
|---|---|---|---|
| New Incorporations | 3,239 | 3,333 | 3,166 |
| Amendments | 859 | 878 | 817 |
| New Registrations for non-Manitoba Corporations | 628 | 609 | 603 |
| New Business Name Registrations | 7,104 | 6,974 | 7,256 |
| Personal Counter Searches of Corporate and Business Files | 12,636 | 13,323 | 15,424 |
| Name Reservation Requests | 15,368 | 15,274 | 14,826 |
| Annual Returns Processed | 44,029 | 44,995 | 43,852 |
| Telephone Inquiries | 68,024 | 61,353 | 61,480 |
| Customers at Counter | 30,912 | 32,956 | 31,972 |
| Active Corporate and Business Name Records | 91,974 | 90,944 | 88,905 |

**Financial Results Summary**

| Fiscal Years | Actual 1999/2000 | Budget 1999/2000 | Variance | |
|---|---|---|---|---|
| Revenue | 3,636.0 | 3,265.0 | 371.0 | (1) |
| Expenses | | | | |
| Salaries & Benefits | 1,195.0 | 1,214.0 | (19.0) | |
| Operating Expenses | 605.0 | 647.0 | (42.0) | (2) |
| Amortization | 7.0 | 16.0 | (9.0) | |
| Total Expenses | 1,807.0 | 1,877.0 | (70.0) | |
| Net Earnings for Year | 1,829.0 | 1,388.0 | 441.0 | |
| Retained Earnings, Beginning of Year | 1,667.0 | 1,667.0 | - | |
| Revenue Sharing, Payment to POM | 1,250.0 | 1,250.0 | - | |
| Retained Earnings, End of Year | 2,246.0 | 1,805.0 | 441.0 | |

(1) Increased filings and interest income account for increase.

(2) Lower desktop and facility rental costs.

## Operating Goals

| Goal | Year End Results |
|---|---|
| 1. Focus on implementation of new computer system and processes. | New processes were reviewed and discussed. The build team has started and the management and staff have seen the first prototype on Name Reservations and Business Registration. |
| 2. Explore the possibility of offering one standard name search. | Decision was made to offer one name search product, where federal and trademark filings are included. Implementation to be in 2000/2001. |
| 3. Explore the possibility of customers filing up to three proposed names on one request. | Based on potential cost of multiple NUANS reports causing the cost of name reservations to increase substantially, it was decided to retain one name per request. Companies Office system will have a pre-search feature on the internet. |
| 4. Develop common signage to the registries. | Signage has been installed. |
| 5. Attend one Business Forum. | Attended one entrepreneur workshop at Red River Community College to promote Companies Office. |
| 6. Hold at least one client impact meeting. | Five focus groups were held from April 26 – 30, 1999. There were two in Brandon and three in Winnipeg. |
| 7. Upgrade skills of staff.<br>8. Rewrite position descriptions.<br>9. Review classifications | Work not commenced yet. Activities will proceed with the progress of the development of new computer systems and processes under The Better Systems Initiative. |
| 10. Maintain Performance Framework Reporting. | Maintained. |
| 11. Maintain Continuous Improvement Initiative. | 12 Bringing Excellence to Service and Training (B.E.S.T.) meetings held, where the following were reviewed:<br>- 69 Tell Us How We're Doing – in Person surveys reviewed.<br>- 146 Tell Us How We're Doing – Telephone surveys reviewed. |

| Goal | Year End Results |
|---|---|
| | - 22 staff suggestions reviewed. 8 implemented.<br>- 16 Beef and Bouquet forms.<br>- Staff survey review was completed.<br>- Spiffing Up The Office 1999/2000 Plan received.<br>- Fun Committee Events continued.<br>- Office Wellness Committee struck.<br>- Reward and Recognition Reception – May 31, 1999.<br>- Strategic Planning for the following two years conducted.<br>- Review of roles of Best Committee for new members.<br>- Task Committee is reviewing Interactive Voice Response service.<br>- Due to illness and significant staff changeover, B.E.S.T. has reduced its frequency of meetings. The Committee is reducing its scope to respond to the limited Committee resources. |
| 12. To continue implementation of the new computer environment:<br>- review layout of office. | Work not commenced yet. Activities will proceed with the progress of the Better Systems Initiative. Work to commence first quarter 2000/2001. |
| 13. Contribute minimum of $1250.0 to Government | $1250.0 contributed as of March 31, 2000. |

## MANITOBA SECURITIES COMMISSION

The Manitoba Securities Commission (the "Commission) administers the following statutes:

- *The Securities Act*
- *The Real Estate Brokers Act*
- *The Mortgage Dealers Act*
- *The Commodity Futures Act*

The Commission's securities industry mandate is to act in the public interest to protect Manitoba Investors and to facilitate the raising of capital while maintaining a fairness and integrity in the securities marketplace. Similarly, its real estate industry mandate is to regulate brokers, salespeople and mortgage dealers to ensure adequate standards are maintained for the protection of the public. The Commission performs the following activities:

- Registering securities dealers, brokers, advisors, investment counsel, portfolio managers and sales personnel;
- Reviewing prospectuses and other disclosure documents to ensure full, true and plain disclosure in respect of new issues of securities;
- Supervising the filing of financial statements, insider trading reports and other continuous disclosure material by issuers of securities;
- Licensing and regulating the activities of real estate and mortgage dealers and salespeople; and
- Investigating suspected violations under the four Acts noted above.
- Provide education and information services to industry members and the public.
- Performing audits of registrants compliance with the requirement of the Securities Act and its regulations.

During the 1999/2000 fiscal year, the Commission convened 43 regular and 64 special meetings (53 under *The Securities Act,* 11 under *The Real Estate Brokers Act*)

**The Securities Industry**

The total number of orders issued, filings processed and registrations issued under the Securities Act are as follows:

| ORDERS ISSUED | 1999/2000 | 1998/1999 |
|---|---|---|
| Exemption Orders | 267 | 177 |
| Investigation Orders | 12 | 11 |
| Take-Over Bid, Issuer Bid, and Early Warnings Orders | 181 | 21* |
| Inside Reporting Orders | 37 | 23 |
| Financial Reporting Orders | 48 | 23 |
| Cease Trade Orders | 29 | 143 |
| Limited Offering Regulations | 53 | 39 |
| Miscellaneous Orders | 30 | 2 |

* Last year's total did not include all the types of orders being reported in 1999/2000.

| FILINGS PROCESSED | 1999/2000 | 1998/1999 |
|---|---|---|
| Prospectus | 771 | 456 |
| Prospectus Amendments | 138 | 78 |
| Annual Information Forms | 509 | 490 |
| Rights Offerings | 21 | 18 |
| Private Placements | 150 | 156 |
| Take-Over Bid Circulars | 110 | 93 |

| REGISTRATIONS ISSUED | 1999/2000 | 1998/1999 |
|---|---|---|
| Salespeople | 5497 | 5324** |
| Trading Officials/Branch Managers | 959 | 0 |
| Brokers, Broker Dealers & Investment Dealers | 110 | 132 |
| Securities Issuers | 3 | 3 |
| Securities Advisors | 2 | 1 |
| Investment Counsel | 62 | 4 |
| International Advisors | 17 | 17 |
| Underwriters | 1 | 0 |
| **Totals** | **5692** | **5481** |

**Last year's total included Trading Officials and Branch Managers, this year we have separated Trading Officials and Branch Managers from the Salespeople Category.

At the end of 1999-2000 there were 6651 registrations issued, which included Broker Registrations/Renewals and Individual Registrations/Renewals, Branch Managers and Trading Officials registrations. Also, 551 Branch Offices were registered to the end of the year.

A total of 858 Broker Amendments under the Securities Act were processed which included the addition or deletion of Branch Offices, Branch Managers, Trading Officials and Non-Trading Officials.

To the end of 1999-2000, 369 Transfer of Registration Certificates was issued.

**The Real Estate Industry**

To the end fiscal year 1999/2000, orders and registrations were processed as follows:

| ORDERS ISSUED | 1999/2000 | 1998/1999 |
|---|---|---|
| The Real Estate Brokers Act | | |
| Suspension Orders | 5 | 6 |
| Investigation Orders | 0 | 4 |
| Exemption Orders | 5 | 5 |
| Miscellaneous Orders | 0 | 5 |
| The Mortgage Dealers Act | | |
| Exemption Orders | 1 | 0 |
| | | |

| REGISTRATIONS ISSUED | 1999/2000 | 1998/1999 |
|---|---|---|
| Real Estate Brokers | 419 | 414 |
| Real Estate Broker-Authorized Officials | 646 | 676 |
| Real Estate Salesman | 1380 | 1343 |
| Private Sales Agents | 8 | 0 |
| Mortgage Dealers | 11 | 11 |
| Mortgage Dealer – Authorized Officials | 13 | 15 |
| Mortgage Salesman | 6 | 4 |
| **Totals** | **2483** | **2463** |

To the end of 1999-2000 there were 2483 certificates issued for Salesman & Brokers Registrations/Renewals, and also for 33 Branch Offices.

A total of 1 Amendment under the Real Estate Act was processed along with 16 Re-Instatement's, 5 Exemptions and 172 Transfers. A total of 25 Exams made up of 5 M.S.C. R.S. Exams, 4 M.S.C. R.B. (P.M.) Exams, and 16 New Home R.S. were administered.

**Enforcement Activities**

The Commission received 133 complaints from members of the public in the year ending March 31, 2000. The complaints received by the Commission vary widely from isolated matters to the sale of securities by an issuer to a large portion of the public.

When a complaint is received by the Commission, a determination is made whether the matter can be resolved on an informal basis or whether further investigation is required.

When complaints involve a registrant, matters can often be resolved through staff of the Commission arranging for mediation between the complainant and the registrant. Other matters can be resolved by staff communicating with an issuer selling securities to ensure securities are sold to the public in a manner which complies with the Act.

Where a matter requires further investigation, Commission staff conduct interviews, collect documentation and assemble all evidence required to determine whether the matter warrants a hearing before the Commission or charges in court are conducted by Commission staff.

Whenever possible staff attempt to resolve matters which require a hearing or court prosecution by way of settlement agreements. A settlement agreement is a signed contract between staff of the Commission and the party who is the subject of the enforcement proceeding. Each settlement agreement sets out the facts are admitted, what violations of securities laws have occurred and recommends what penalty should be imposed. Each settlement agreement is reviewed by an independent panel of the Commission at a public hearing to ensure the terms of the settlement proposed in the agreement are in the public interest.

The Commission also has the authority to issue cease trade orders where there has been a violation of the Act by an issuer of securities. In some cases these orders involve a failure to file materials and can easily be resolved. Other cases require a hearing be held before the Commission.

Staff also frequently communicate with other government agencies, securities regulators and law enforcement agencies to ensure any matter that may potentially harm the public is resolved as quickly as possible.

**Legislative Changes and Policy Initiatives**

The Canadian Securities Administrators

The Commission continues to be actively involved in several projects being undertaken by securities regulators across Canada through the Canadian Securities Administrators Association to coordinate the activities of securities regulators throughout Canada in areas of prospectus review, applications and registrations. The result of these initiatives has already become apparent in simplifying the process for national applications through a system of mutual reliance between the various jurisdictions. As the balance of the projects come to fruition there will be a more efficient level of service to the public while preserving the Commission's ability to develop local initiatives.

## FINANCIAL RESULTS SUMMARY

**Audited**

| Fiscal Years | Actual 1999-2000 | Budget 1999-2000 | Variance Fav/(unfav) | Note No. |
|---|---|---|---|---|
| Revenue | 5200 | 4000 | 1200 | 1 |
| Expenses | | | | |
| Salaries & Benefits | 1705 | 1723 | 18 | |
| Operating Expenses | 622 | 892 | 270 | 2 |
| Amortization | 146 | 94 | -52 | 3 |
| Interest | 41 | 44 | 3 | |
| Total Expenses | 2514 | 2752 | 238 | |
| Net Income for the year | 2686 | 1248 | 1438 | |
| Retained Earnings, Beginning | 0 | 0 | 0 | |
| Disposition of Surplus Operating Funds | 700 | 700 | 0 | |
| Retained Earnings, Ending | 1986 | 548 | 1438 | |

Notes:

1. Increased volumes in registrations and filings and interest income account for the favorable variance.
2. Operating expenses had a favorable variance due mainly to a later than expected hiring of new staff, and a reallocation of operating expenditures to capital expenditures.
3. Amortization incurred an unfavorable variance due to a calculation error in the estimates being used for 1999-2000.

## THE PROPERTY REGISTRY

The Property Registry became a Special Operating Agency April 1, 1997. The Agency merges two distinct registries, the Land Titles Office and Personal Property Registry. The Land Titles Office administers the provincial systems of land holding in accordance with *The Real Property Act, The Registry Act* and other related *Acts*, and maintains the written and drawn legal descriptions of all land in the Province of Manitoba. Personal Property Registry records and provides information for the public concerning corporate securities, appointment of receivers and security interests in collateral in accordance with *The Personal Property Security Act*. It also provides a central registry for liens having priority under various provincial statutes.

| **Activity Report** | FY1999/2000 | FY1998/99 | Change | % Change |
|---|---|---|---|---|
| **Registration Volume** | | | | |
| Land Titles | 159,086 | 163,910 | (4,824) | -2.9% |
| Personal Property Registry | 285,073 | 285,409 | (336) | -0.1% |
| | 444,159 | 449,319 | (5,160) | -1.1% |
| **Service Volume** | | | | |
| Land Titles | 289,151 | 285,973 | 3,178 | 1.1% |
| Personal Property Registry | 240,139 | 236,521 | 3,618 | 1.5% |
| | 529,290 | 522,494 | 6,796 | 1.3% |
| **Certificates of Title** | | | | |
| Land Titles | 77,981 | 78,038 | (57) | -0.1% |

The document processing time in the Winnipeg Land Titles Office averaged four (4) calendar days with approximately 90% of documents filed affecting electronic titles as opposed to paper titles (referred to as the "electronic hit rate"). The regional Land Titles Offices averaged a turnaround time of two (2) days, with electronic hit rates of 73% in the Brandon, Portage and Morden Land Titles Offices. Electronic hit rates of about 50% were also achieved in the Dauphin and Neepawa Land Titles Offices. Personal Property Registry completed registrations, on average, within three (3) days.

The 1999/2000 fiscal year represented the first year in which the entire land titles system was able to operate via electronic processing of registrations and services. As paper-based registration instruments are converted to electronic form, each office improves its ability to accommodate increased volumes without compromising service standards and without increases in staff resources.

The Registry collected fee and tax revenues of $25.1 million (1998/99: $24.7 million), a 1.9% increase from the previous fiscal year. Net earnings for the year were $3.0 million (1998/99: $4.2 million), 17% above budget. Total non-tax Registry revenues decreased 0.8% to $13.0 million (1998/99: $13.2 million), while land transfer tax revenue increased 4.8% to $12.1 million (1998/99: $11.5 million), with a number of large-value real estate transactions occurring in the third and fourth quarters.

Land Titles Office revenues declined by 2.5% to $8.9 million, compared with $9.2 million in the previous fiscal year. Land titles revenue consisted of $2.0 million in transfer fees, $1.9 million in mortgage fees, $2.4 million in other registration fees, $2.0 million in service fees, and recoveries of $280,500 (fee recoveries only) and $338,600 (Better Systems Initiative and Better Methods salary recoveries).

Personal Property Registry revenues increased to $3.9 million, representing a 2.1% increase from FY1998/99 revenues. Personal Property Registry fees consisted of $2.4 million in registrations revenues, $1.4 million in service revenue, and $140,500 in recoveries (Better Systems Initiative).

The Administration Office recovered $48,700 in salaries from the Better Systems Initiative and earned $180,000 (preliminary) in interest income from investments.

There were no claims against the Land Titles Assurance Fund. Additional revenue from the Assurance Fund in the amount of $42,600 was transferred to the Consolidated Fund on June 30, 1999. The Assurance Fund maintains $125,000 in reserve for any potential claims in the future.

**The Property Registry**
**Highlights of activity FY1999/2000**

| Item | FY1999/2000 Actual | FY1998/1999 Actual | Change Increase (decrease) |
|---|---|---|---|
| Registrations | 444,159 | 449,319 | (5,160) |
| Services | 529,290 | 522,494 | 6,796 |
| Fee revenues | $ 12,267.0 | $ 12,536.2 | $ (269.2) |
| Land Transfer tax | 12,071.0 | 11,512.6 | 558.4 |
| Recoveries | 809.0 | 640.8 | 168.2 |
| Total revenues | $ 25,147.0 | $ 24,689.6 | $ 457.4 |
| Less: Land transfer tax transferred to Province | (12,071.0) | (11,512.6) | 558.4 |
| Less: Expenditures | (10,042.0) | (8,968.3) | 1,073.7 |
| Net earnings after Land transfer tax transfer | $ 3,034.0 | $ 4,208.7 | $ (1,174.7) |
| Revenue Sharing | $ 2,800.0 | $3,550.0 | $ (750.0) |

## The Property Registry
## Financial results summary FY1999/2000

| Item | FY1999/2000 Actual | FY1999/2000 Budget | Budget Variance Over (under) | Notes |
|---|---|---|---|---|
| Land Transfer tax | $ 12,071 .0 | $ 11,662.4 | $ 408.6 | 2 |
| Fee and other revenue | $ 13,076.0 | $ 12,899.4 | $ 176.6 | |
| Expenses: | | | | |
| Salaries and benefits | $ 7,548.0 | $ 7,574.7 | $ (26.7) | 3 |
| Operating expenses | 2,414.0 | 2,624.5 | (210.5) | 3 |
| Amortization | 80.0 | 96.1 | (16.1) | |
| Total expenses | $ 10,042.0 | $ 10,295.0 | $ (253.3) | |
| Net earnings | $ 3,034.0 | $ 2,604.1 | $ 429.9 | |
| Revenue Sharing | $ 2,800.0 | $ 2,800.0 | $ -- | |

**Notes:**

1. The financial results are reported in accordance with accrual accounting.

2. Land transfer tax revenues were higher than budget due to a small number of unexpected large value transactions occurring in the third and fourth quarters. The continuing strength of the economy also helped in maintaining the stronger tax revenues for the fiscal year.

3. Salaries and benefits are lower than budget as a consequence of many seconded staff returning sooner than expected during the fourth quarter, together with continuing vacancy management and underfilling of positions. However some of this decrease was offset by an upward adjustment to pension expense arising from changes in the Department of Finance's calculation of pension liabilities. Certain operating expenditures (e.g., maintenance, training, travel) were also deferred into the following fiscal year, resulting in under-expenditure of the budget.

## VITAL STATISTICS AGENCY

Vital Statistics became a special Operating Agency on April 1, 1994, and transferred to the Department of Consumer and Corporate Affairs. The Agency is responsible for and mandated to:

**a.** maintain the provincial registry for births, marriages, deaths and stillbirths; issue certificates and certified copies from vital event registrations; and provide statistical and other types of reports as well as other related services to customers in accordance with *The Vital Statistics Act*;

**b.** register clergy and marriage commissioners as marriage ceremony officiants, appoint marriage commissioners, register marriage licence issuers, issue marriage licences, and recognize religious denominations in accordance with *The Marriage Act*;

**c.** register, issue certificates and conduct searches for legal changes of name in accordance with *The Change of Name Act*;

**d.** process applications for Orders for Disinterment pursuant to *The Public Health Act*; and

**e.** register adoptions, re-register births and amend records pursuant to *The Child and Family Services Act*, as well as amend parentage particulars of birth records pursuant to *The Family Maintenance Act*.

Data submitted under *The Vital Statistics Act* is provided by more than 3,200 district registrars representing hospitals, health facilities, personal care and nursing homes, funeral homes, members of the clergy, and marriage commissioners located throughout the province.

As well as providing the source information for issuance of certificates, the event data collected in the Agency's registry system offers valuable statistical information. The data collected makes it possible for health organizations to compare birth and death rates between countries, provinces and other geographic units. The Agency ensures that the data used in any statistical report is non-identifying to satisfy any privacy concerns.

The largest consumer of the Agency's services is the general public; largely young families and senior citizens. Legal, financial, and health institutions such as lawyers, police, insurance companies, trust companies and physician's offices request services on behalf of their clients. Statistics Canada is a major data user of vital events information in both record copy and data file formats. The client profile for the Agency also includes numerous government departments, agencies, and offices from Manitoba and other jurisdictions.

Birth certificates are considered the primary source of identification from which numerous other benefits are derived such as medical services, public education, passports, old age pension or other income security provisions, as well as obtaining Indian status or band membership.

Certificates or certified copies of birth, marriage and death records are required in courts and elsewhere to establish necessary facts for child support, life insurance claims, tracing ancestry, settlement of pensions and estates, etc. Certified copies of medical certificates of death, which form part of death registrations, are important in determining health risk factors regarding hereditary diseases or medical conditions in family histories.

Vital Statistics is the sole provider of this service in the Province of Manitoba. If a person born in Manitoba requires a birth certificate, only Vital Statistics is authorized to issue it. However, the sole proprietorship of the Agency does not preclude it from forming partnerships with complementary agencies to produce a value-added service.

The Vital Statistics Agency operates within the Vital Statistics Council for Canada along with the other provincial and territorial jurisdictions and the Federal Government. The Council provides a forum for developing a common approach to collecting vital statistics, sharing information with external parties, and to facilitating problem-solving through shared experiences, research findings and expertise among the jurisdictions.

Fee setting, service turnaround times, product diversity, and operational efficiency and effectiveness are continuously measured against those of its counterparts. Maintaining competitive rates with other jurisdictions is factored into rate determination. Other registries, information providers, and regulatory bodies are consulted to determine cost, price and value benchmarks when considering the assessment.

The new Vital Statistics Information System will enable the Agency to offer new enhanced products and services to its clients, including Commemorative Certificates. The Agency developed a marketing plan to determine the best way to promote and distribute these certificates. During the 1999-2000 fiscal year the design of three Commemorative Birth Certificates and two special Millennium Birth and Marriage Certificates have been completed. Printing and official launching of these Certificates is anticipated during the first quarter of the 2000-2001 fiscal year. The design of three Commemorative Marriage Certificates is scheduled for the 2000-2001 fiscal year. To promote the sale of the Commemorative Certificates, the Agency developed product brochures as well as Gift Certificates to be sold by selective jewellery and gift shops to prospective customers.

All Commemorative Certificates prominently carry the "Treasured Event" ™ theme. This theme captures the primary value, is memorable, reinforces the emotional attachment regarding the specific event being commemorated, and highlights its distinctive aspects. Commemorative Certificates are intended for framing and are not official documents.

## COMPARATIVE STATISTICS

| Fiscal Years | Actual 1999-2000 | Budget 1999-2000 | Variance Fav/(unfav) | Note No. |
|---|---|---|---|---|
| Certificates and Certified Copies | 69,416 | 64,400 | 5,016 | (1) |
| Amendments | 1,575 | 1,800 | (225) | |
| Licenses | 1,061 | 1,300 | (239) | |
| Change of Name | 916 | 800 | 116 | |
| No-Cost Items | 946 | 1,000 | (54) | |
| Immediates | 5,103 | 1,000 | 4,103 | (1) |
| Registrations | 30,986 | 30,600 | 386 | |
| Total Activities | 110,003 | 100,900 | 9,103 | |

### FINANCIAL RESULTS SUMMARY (IN $000'S)

| Fiscal Years | Actual 1999-2000 | Budget 1999-2000 | Variance Fav/(unfav) | Note No. |
|---|---|---|---|---|
| Revenue | $2,388 | $ 2,170 | $218 | (1) |
| Expenses | | | | |
| Salaries & Benefits | 1,192 | 1,115 | (77) | (2) |
| Operating Expenses | 759 | 765 | 6 | |
| Amortization | 269 | 250 | (19) | |
| Total Expenses | 2,220 | 2,130 | (90) | |
| Net Earnings for Year | 168 | 40 | 128 | |
| Retained Earnings, Beginning of Year | 1,665 | 1,665 | 0 | |
| Revenue Sharing, Payment to POM | 190 | 190 | 0 | |
| Retained Earnings, End of Year | 1,643 | 1,515 | 128 | |

**NOTES:**

(1) The primary reason for the favourable variance in revenues was the strong demand for Birth Certificates and continuing high demand for Immediate Service.

(2) The main reason for the unfavourable variance for Salaries & Benefits was the increase in volume explained in Note (1) requiring a corresponding adjustment in staffing.

Manitoba Consumer and Corporate Affairs

## EXPENDITURE SUMMARY

for fiscal year ended March 31, 2000 with comparative figures

| | Estimate 1999/00 | Appropriation | Actual 1999/00 | Actual 1998/99 | Increase (Decrease) |
|---|---|---|---|---|---|
| | | **05-1 Administration and Finance** | | | |
| | 27,000 | (a) Minister' Salary | 27,000 | 26,100 | 900 |
| | | (b) Executive Support: | | | |
| | 322,000 | Salaries | 340,100 | 304,800 | 35,300 |
| | 49,700 | Other Expenditures | 50,500 | 47,900 | 2.600 |
| | | (c) Administrative Services: | | | |
| | 575,700 | Salaries | 476,300 | 470,500 | 5,800 |
| | 164,100 | Other Expenditures | 165,300 | 150,200 | 15,100 |
| | (171,900) | Less: Recoveries | (171,900) | (181,500) | 9,600 |
| | -- | First Nations Casino Selection Committee | 118,400 | -- | 118,400 |
| | | (d) Research and Planning: | | | |
| | 164,000 | Salaries | 160,500 | 155,000 | 5,500 |
| | 31,700 | Other Expenditures | 26,600 | 22,300 | 4,300 |
| Total 05- 1 | 1,162,300 | | 1,192,800 | 995,300 | 197,500 |
| | | **05-2 Consumer Affairs** | | | |
| | | (a) Consumers' Bureau: | | | |
| | 899,300 | Salaries | 869,900 | 880,900 | (11,000) |
| | 214,900 | Other Expenditures | 210,800 | 194,700 | 16,100 |
| | | (b) Residential Tenancies | | | |
| | 2,919,200 | Salaries | 2,816,800 | 2,593,400 | 223,400 |
| | 824,000 | Other Expenditures | 753,500 | 592,900 | 160,600 |
| | | (c) Automobile Injury Compensation Appeal Commission: | | | |
| | 483,600 | Salaries | 490,600 | 445,800 | 44,800 |
| | 148,900 | Other Expenditures | 132,000 | 93,800 | 38,200 |
| | 87,700 | (d) Grants | 87,700 | 87,700 | -- |
| Total 05-2 | 5,577,600 | | 5,361,300 | 4,889,200 | 472,100 |

Manitoba Consumer and Corporate Affairs

## EXPENDITURE SUMMARY

for fiscal year ended March 31,2000 with comparative figures

| | Estimate 1999/00 | Appropriation | Actual 1999/00 | Actual 1998/99 | Increase (Decrease) |
|---|---|---|---|---|---|
| | | **05-3 Corporate Affairs** | | | |
| | | (a) Insurance Branch | | | |
| | 297,500 | Salaries | 286,600 | 268,900 | 17,700 |
| | 182,500 | Other Expenditures | 151,500 | 123,700 | 27,800 |
| | | (b) Public Utilities Board: | | | |
| | 612,500 | Salaries | 511,100 | 502,400 | 8,700 |
| | 749,800 | Other Expenditures | 654,700 | 776,100 | (121,400) |
| | | (c) Trust, Cooperatives and Credit Union Regulation | | | |
| | 439,900 | Salaries | 454,800 | 417,900 | 36,900 |
| | 100,200 | Other Expenditures | 89,800 | 94,200 | (4,400) |
| | | (d) Manitoba Securities Commission | | | |
| | 0.00 | Salaries | 0.00 | 1,219,200 | (1,219,200) |
| | 0.00 | Other Expenditures | 0.00 | 447,000 | (447,000 |
| Total 05-3 | 2,382,400 | | 2,148,500 | 3,849,400 | (1,700,900) |
| Total 05-4 | 206,600 | **05-4** Amortization of Capital Assets | 204,400 | 0.00 | (204,400) |
| | 9,328,900 | TOTAL EXPENDITURES | 8,907,000 | 9,733,900 | (826,900) |

Manitoba Consumer and Corporate Affairs

## REVENUE SUMMARY

for fiscal year ended March 31, 2000 with comparative figures for the previous year

| 1998/99 Actual | 1999/00 Actual | Increase (Decrease) | Source | 1999/00 Actual | 1999/00 Estimate | Variance |
|---|---|---|---|---|---|---|
| | | | **Taxation:** | | | |
| 38,836,300 | 39,683,200 | 846,900 | (a) Insurance Corporations Tax | 39,683,200 | 38,700 | 983,200 |
| 11,504,900 | 12,049,500 | 544,600 | (b) Land Transfer Tax | 12,049,500 | 12,000 | 49,500 |
| 50,341,200 | 51,732,700 | 1,391,500 | Total R-1 | 51,732.7 | 50,700 | 1,032,700 |
| | | | **R-3 Other Revenue** | | | |
| 621,000 | 688,400 | 67,400 | (a) Appeals Commission Cost Recovery | 688,400 | 716,900 | (28,500) |
| 679,500 | 704,400 | 24,900 | (b) Consumer Affairs Fees | 704,400 | 646,500 | 57,900 |
| 777,300 | 797,800 | 20,500 | (c) Insurance Act Fees | 797,800 | 762,000 | 35,800 |
| 1,696,900 | 1,492,900 | (204,000) | (d) Public Utilities Board Cost Recovery | 1,492,900 | 1,401,400 | 91,500 |
| 4,476,900 | 0.00 | (4,476,900) | (e) Securities and Real Est. Brokers Act Fees | 0.00 | 0.00 | 0.00 |
| 244,000 | 283,500 | 39,500 | (f) Trust and Loan Fees | 283,500 | 250,000 | 33,500 |
| 2,000 | 47,300 | 45,300 | (g) Sundry | 47,300 | 2,000 | 45,300 |
| 8,497,600 | 4,014,300 | (4,483,300) | **Total R-3** | 4,014,300 | 3,778,800 | 235,500 |
| 58,838,800 | 55,747,000 | (3,091,800) | **Total Revenue** | 55,747,000 | 54,478,800 | 1,268,200 |

## FIVE YEAR EXPENDITURE AND STAFFING SUMMARY BY APPROPRIATION ($000)

for years ending March 31, 1996 – March 31, 2000

| | 1995-96 | | 1996-97 | | 1997-98 | | 1998-99 | | 1999-2000 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Appropriation** | **FTE** | **$** | **FTE** | **$** | **FTE** | **$** | **FTE** | **$** | **FTE** | **$** |
| 05-1 Administration & Finance | 22.28 | 1,048.3 | 25.28 | 1.004.9 | 25.28 | 1,173.6 | 23.28 | 995.3 | 22.78 | 1,192.8 |
| 05-2 Consumer Affairs | 85.00 | 4,791.2 | 86.00 | 4,758.0 | 84.00 | 4,830.9 | 84.00 | 4,889.2 | 84.00 | 5,361.3 |
| 05-3 Corporate Affairs | *241.80 | 14,041.3 | 207.73 | 11,665.2 | 49.73 | 3,855.7 | 50.73 | 3,849.4 | 22.73 | 2,148.5 |
| 05-4 Amortization of Capital Assets | -- | -- | -- | -- | -- | -- | -- | -- | -- | 204.4 |
| TOTAL | *349.08 | 19,880.8 | 319.01 | 17,428.1 | 159.01 | 9,860.2 | 158.01 | 9,733.9 | 129.51 | 8,907.0 |

* Land Titles Office (140.50FTE) & Personal Property Registry (19.50FTE) transferred in from Justice for 95/96 adjusted vote. Vital Statistics became a Special Operating Agency on April 1, 1995,the Property Registry became a Special Operating Agency April 1, 1997, and the Manitoba Securities Commission became a Special Operating Agency in April 1, 1999, and are no longer reflected in printed estimates.